

# Subsidized mortgages overview

Mortgage subsidy programs help to make homeownership more affordable by providing reduced interest rate loans to eligible borrowers.

These programs offer relaxed underwriting requirements and lower borrowing costs compared to what the private market might otherwise offer for borrowers with similar credit characteristics. The favorable terms increase access to homeownership for many families who might not otherwise qualify. The mortgages are often offered by state and local housing finance agencies, redevelopment agencies or other local government agencies, in conjunction with approved private lenders. Eligibility is typically limited to first-time homebuyers who meet income and home purchase price criteria and intend to use the home as a primary residence; however, some jurisdictions relax these requirements for specific populations, such as veterans, teachers, or borrowers in other targeted categories.